

AMENDED IN ASSEMBLY JULY 22, 1997

AMENDED IN ASSEMBLY JULY 10, 1997

SENATE BILL

No. 617

Introduced by Senator Monteith
(Coauthor: Assembly Member House)

February 25, 1997

An act to amend Section 16946 of the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

SB 617, as amended, Monteith. County health services.

Existing law provides for the continuous appropriation of money from the state Local Revenue Fund for allocation to local entities for the provision of social and health benefits.

Existing law, as contained in provisions which would become inoperative on July 1, 1997, and would be repealed on January 1, 1998, allocates a portion of the money in the Local Revenue Fund to the Hospital Services Account of that fund for local funding of emergency health services provided by county and noncounty hospitals.

Existing law further provides that in any county that comprises not more than 50% of the total state population and in which there are a county hospital and a noncounty hospital with emergency rooms located within 2 miles of each other, the county hospital may surrender its emergency room permit without penalties in specified circumstances, including San Luis Obispo County.

This bill would, contingent upon enactment of legislation extending the duration of these provisions, also apply this provision to Stanislaus County. *This bill would also provide for public hearings regarding the availability of clinic services.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 16946 of the Welfare and
2 Institutions Code is amended to read:
3 16946. (a) The Hospital Services Account portion of
4 each county's allocation pursuant to Sections 16932 and
5 16941 shall be divided into two amounts by:
6 (1) Multiplying the Hospital Services Account funding
7 portion by the percentage specified in paragraph (5) of
8 subdivision (c) of Section 16945.
9 (2) Multiplying the amount of the Hospital Services
10 Account funding portion by the percentage specified in
11 paragraph (6) of subdivision (c) of Section 16945.
12 (b) The amount of each county's Hospital Services
13 Account funding portion calculated in paragraph (1) of
14 subdivision (a) shall be used for payment or support of
15 services provided on or after July 1, 1989, by noncounty
16 hospitals. Beginning in the 1991–92 fiscal year and
17 annually thereafter, these amounts shall be reduced by
18 dividing each county's amount by the total amount for all
19 counties, multiplied by the sum of twelve million dollars
20 (\$12,000,000). This amount for each county shall be
21 further divided into two equal parts, as follows:
22 (1) (A) The first part shall be allocated to each
23 noncounty hospital within a county in amounts
24 determined by multiplying the percentages specified in
25 paragraph (7) of subdivision (c) of Section 16945 by the
26 amount of the first part, and may be used for payment or
27 support of services provided by noncounty hospitals to
28 any eligible patient treated at any time during the fiscal
29 year of the allocation.



1 (B) Funds distributed during fiscal years subsequent
2 to the 1989–90 fiscal year shall be accounted for on a
3 quarterly basis.

4 (C) For the 1989–90 fiscal year, noncounty hospitals
5 shall provide the demographic data specified in
6 paragraph (2) of subdivision (b) of Section 16918 on a
7 minimum of 5 percent of patients for whom services are
8 paid for in whole or in part by funds allocated pursuant
9 to this paragraph, in addition to any other requirements
10 specified in Section 16918.

11 (D) For the 1990–91 fiscal year and fiscal years
12 thereafter, noncounty hospitals shall provide data
13 pursuant to the reporting requirements specified in
14 Section 16918 and shall provide posted and individual
15 notices pursuant to Section 16818 for the duration of any
16 quarter during which funds allocated pursuant to this
17 paragraph are used.

18 (E) Amounts calculated pursuant to this paragraph
19 shall not be reduced or utilized to offset the costs of
20 administering the Hospital Services Account.

21 (2) (A) (i) The remaining 50 percent of the funds
22 from the Hospital Services Account shall be distributed
23 by the county to hospitals, including those under contract
24 with the county, to maintain access to emergency care
25 and to purchase other necessary hospital services
26 provided during the fiscal year of the allocation.

27 (ii) In contracting for emergency care with hospitals
28 in neighboring counties, the county shall not impose
29 conditions to accept transfers that it does not impose on
30 hospitals within its own boundaries.

31 (B) (i) Prior to distributing funds to hospitals, each
32 county shall consult with the hospitals and consider the
33 historic and projected patterns of care provided by
34 hospitals, by geographic catchment areas within both
35 urban and nonurban areas, unique costs associated with
36 treating disproportionate numbers of severely ill indigent
37 patients, and disproportionate losses sustained by
38 hospitals in the provision of care.

39 (ii) The county shall also consider the patterns of care
40 of its residents provided by Level I trauma care hospitals

1 in contiguous counties and may make proportionate
2 allocations to those trauma centers.

3 (c) (1) The amount of each county's Hospital Services
4 Account funding portion calculated in paragraph (2) of
5 subdivision (a) may be used for the payment or support
6 of services provided in county hospitals or noncounty
7 hospitals as determined by each county during the fiscal
8 year of the allocation.

9 (2) Beginning in the 1991-92 fiscal year and annually
10 thereafter, the amount of each county's funding portion
11 calculated pursuant to paragraph (2) of subdivision (a)
12 shall be reduced by an amount that shall be calculated as
13 follows:

14 (A) Divide each county's amount of funding under
15 paragraph (2) of subdivision (a) by the total amount of
16 funding under that paragraph for all counties.

17 (B) Multiply the quotient calculated pursuant to
18 subparagraph (A) by the sum of six million dollars
19 (\$6,000,000).

20 (d) As a condition of receiving funds under this section
21 and Section 16932, each county shall require each county
22 and noncounty hospital to do all of the following:

23 (1) (A) Maintain the same number and classification
24 of emergency room permits and trauma facility
25 designations as existed on January 1, 1990.

26 (B) (i) Any hospital that maintained two special
27 permits for basic emergency service on the effective date
28 of this part shall be deemed to have met the requirements
29 of paragraph (1) of subdivision (d), if each of the
30 emergency rooms was located on separate campuses of
31 the hospital and was located not more than two miles
32 from the other emergency room.

33 (ii) Clause (i) shall apply even if one of the emergency
34 room permits is surrendered after the effective date of
35 this part.

36 (2) Provide data and reports on the use and
37 expenditure of all funds received. This information shall
38 be in a form and according to procedures specified by the
39 county and the department.

(3) Assure that funds received pursuant to this section are used only for services for persons who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

(e) (1) If a county or noncounty hospital does not comply with this section, the county shall recover funds received by the hospital as follows:

(A) For any violation of paragraph (1) of subdivision (d), the county shall recover that portion of the funds received which equal the ratio of the number of months not in compliance to 12 months.

(B) For any violation of paragraph (2) of subdivision (d), the county shall recover all funds received.

(C) For any violation of paragraph (3) of subdivision (d), the county shall recover the difference between the amount received and the amount for which the hospital can document that the funds were used only for services for persons who cannot afford to pay for those services and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

(2) The county may deny further payments required by this section until the hospital demonstrates compliance.

(f) Funds withheld or recovered pursuant to this section may be reallocated and distributed by the county pursuant to paragraph (2) of subdivision (b).

(g) (1) Except as provided in paragraph (2), funds allocated pursuant to paragraph (1) or (2) of subdivision (b) which are not expended because a hospital does not participate shall be redistributed pursuant to paragraph (2) of subdivision (b).

(2) If no noncounty hospitals remain to participate, the county may distribute those unexpended funds pursuant to subdivision (c).

(h) (1) In any county that comprises not more than one-half percent of the total state population and in which there are a county hospital and a noncounty hospital with emergency room permits located within two miles of

1 each other, the county hospital may surrender its
2 emergency room permit without any penalty for
3 violation of paragraph (1) of subdivision (d) provided all
4 of the following occur:

5 (A) The county shall enter into a contractual
6 arrangement with the noncounty hospital.

7 (B) The county and noncounty hospital shall provide
8 for the availability of at least the same level of emergency
9 services and specialty backup which the county hospital
10 and noncounty hospital provided prior to the
11 surrendering of the emergency room permit.

12 (C) The county shall establish sufficient capacity,
13 including evening and weekend coverage, in its urgent
14 care clinic and other outpatient clinics to provide for the
15 same or greater level of urgent care and nonemergency
16 visits that were provided in the county hospital
17 emergency department in the calendar year prior to the
18 surrendering of the emergency room permit.

19 (D) The county shall provide for adequate initial
20 *public hearings* and ongoing public notification and
21 information, in Spanish and English, on the availability of
22 emergency, urgent care, and nonurgent clinic services
23 and how to obtain those services.

24 (E) The county ensures that there are adequate
25 Spanish translation services and referral services on a
26 24-hour basis at the noncounty hospital emergency
27 department, and at the county hospital clinics, during
28 their hours of operation.

29 (2) The department shall annually review the county's
30 compliance with this subdivision. If the department
31 determines that the county is not in compliance with this
32 subdivision, it shall require the county to recover funds
33 and deny further payments pursuant to subdivision (e)
34 until compliance is resumed.

35 (3) Any county that is permitted under paragraph (1)
36 to surrender its emergency room permit shall continue to
37 fulfill its duties and obligations to provide indigent care
38 according to Section 17000.

39 (i) Any county of the 20th class or the 24th class that
40 discontinues the provision of acute inpatient care services

1 may surrender its emergency room permit without any
2 penalty for violation of paragraph (1) of subdivision (d),
3 provided that the county shall enter into a contractual
4 arrangement with at least one noncounty hospital
5 meeting the requirements of subdivision (d) and all of
6 the requirements of subparagraphs (A) to (E), inclusive,
7 of paragraph (1) of subdivision (h) are met by the county
8 and the contracting noncounty hospital, in which case
9 paragraphs (2) and (3) of subdivision (h) shall apply to
10 that county.

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